

“General Hilldring. For the part that we sell, we get money for every pound we dispose of, through trade channels.

“With respect to the ultimate cost we look to the Treasury Department as our advisers on that, and if that is satisfactory to the committee I would rather have a Treasury official tell the committee the procedure by which the ultimate cost of this relief will be assessed as between the United States and the United Kingdom and the Italian Government. We are keeping complete books on this operation, Senator, and it is our present thinking that we, the soldiers, will not make the final settlement as to the ultimate cost of this. I do not know whether that is clear or not.

“Senator Vandenberg. Yes, I think so. I assume what you mean is that the value of the reimbursement will depend upon the ultimate peace settlement and the determination of accounts at that time.

“General Hilldring. Yes, sir; that is what I mean.”

(6) I hope to be in a position to send you information on this point shortly.

I am enclosing with this despatch two copies of the hearings before the Senate Committee on Foreign Relations concerning UNRRA.[†] In addition to General Hilldring, Mr. Acheson and Governor Lehman also gave very interesting statements to the Senators. In fact, this document will bear careful study by those concerned with this matter in Ottawa.

Mr. Acheson made an interesting remark concerning the use of UNRRA funds for military relief:

“Senator Vandenberg. During that period, as I understand it, the Army takes the responsibility for whatever relief and rehabilitation is essential at the moment, is that correct?

“Mr. Acheson: Yes, Senator Vandenberg. The Army is in complete command and it does whatever it thinks is necessary from the military point of view.

“Senator Vandenberg. Do they do that out of military funds?

“Mr. Acheson. I think they will have to answer that. I cannot.

“Senator Vandenberg. They do not do it out of your funds anyway?

“Mr. Acheson. No, sir; not out of UNRRA’s funds.”

In discussing the total resources that might be available for UNRRA (page 19 of the hearings), Mr. Acheson used a figure of \$75,000,000 for Canada. On this point he said:

“The income of Canada for 1943 as stated in an address by Mr. Brooke Claxton, who was the alternate delegate for Canada at the Atlantic City Conference, was 7½ billion American dollars, which would make their contribution \$75,000,000.”

I have etc.

L. B. PEARSON
For the Ambassador